



# **Town Administrator's Office**

343 Highland Road, Tiverton, Rhode Island 02878 (401) 625-6710

## *Memorandum*

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Date: September 4, 2014

To: Town Council

From: Matt Wojcik

RE: Fiscal impact of Code Enforcement Official contract [proposed]

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In your packet for the September 8 meeting of the Council, you have the proposed contract for the new Code Enforcement Officer as well as the official appointment paperwork from me, both of which I respectfully ask you to consider and approve.

As part of the analysis, the following fiscal impact statement is supplied so you may compare the terms of employment proposed for the new Code Enforcement Officer with those extended to his predecessor.

Please bear in mind that the prior Code Enforcement Officer last negotiated a contract with the Town in 2008. After that agreement expired in 2011, the Town Council declined to renew the employee's contract and its terms were left in place in what was more or less an at-will employment arrangement. Therefore, some of the changes from his last contract to the proposed new contract reflect changes in the Town's terms of employment over the last six and one half years, including the size of the life insurance policy for department heads.

Finally, in terms of realized expenses compared to the Town's budget, it should be noted that the Code Enforcement Officer position has been vacant for the first two full months of the current fiscal year. Our part time interim building official works three days a week and is compensated at the rate of pay of the former Code Enforcement Official. Until the new Officer completes necessary training, the interim must continue to sign off on building permits and inspections. His activities will however greatly be reduced and so will be his billings. Thus, in my view, there will be a slight offset from the current salary line to the overall salary for the new Officer, which is being funded by a combination of the total salary line for the position (\$55,000) and the additional funds approved by FTR for this department originally as part time clerical assistance (\$10,000).

Contract item / section (taken from old contract)	Last term	Proposed term (new contract section)
Section 3 (Salary)	\$ 55,000	\$ 62,500 annual rate for first 6 months; after completion of probationary period, annual rate of \$65,000 (Section 3)
<i>Resulting FICA</i>	\$ 4,208	\$ 4,877
Section 6 (Vacation)	18 days / accrue up to 4 weeks	15 days / accrue up to 10 days (Section 7)
Section 7 (Sick Days)	10 days / year	15 days / year (Section 8)
Section 8 (Bereavement Leave)	3 days immediate family, 2 days distant family	5 days spouse or child, 3 days immediate family, 2 days distant family (Section 9)
Section 10 (Holiday Pay)	13 days	No change (Section 11)
Section 11 (Life Insurance)	\$ 50,000 plan (at \$32 per month)	\$ 100,000 (at \$64 per month) (Section 12)
Section 12 (Health Insurance)	BCBS Coast to Coast, with 15% premium co-share	Follows AFSCME contract; high deductible plan with HSA and no co-share (Section 13)
Section 12 (Dental Insurance)	Delta Dental with 15% co-share (?)	Follows AFSCME contract, Delta Dental Basic Services Contract, no co-share (Section 13)
Section 13 (Continuing Education)	\$500.00	No change

The following first year cash impacts are thus noted:

1. Department head salary: Increased \$8,275
2. FICA increase \$669
3. Life insurance premium increase \$184
4. Health insurance premiums change: while the contract language has changed, note that the plan changed while Mr. Eames was an employee at-will and thus there are no changes in cost for health benefits compared to actual terms of employment in force

Total net cash impact of year one of contract: \$ 9,128

In the last two years of the contract, the total annual salary may change based upon performance. Compared to the last employee, the minimum additional budget will be 2 years at \$10,000 increase in salary over last employee (\$20,000) and the resulting increase in FICA (\$765 per year, \$1,530 total) and life insurance premium for two years of \$368. Thus, using the prior employee as the baseline, the minimum three year expenditure increase represented by this contract is \$31,026. Of that amount, \$28,275 is accounted for in the salary line.